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Which country? What costs?

INSEAD
New Ventures Course

Intellectual Property Rights

An Introduction
Peter Wienand
Farrer & Co

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Intellectual Property Rights - the ground rules

- ◆ Reward for innovation
- ◆ Essentially negative: to stop pirates, plagiarists and counterfeiters
- ◆ Not needed to exploit products - effective exploitation is not dependent on protection
- ◆ Are subject to public law
- ◆ Territoriality (no intl law) part of national laws

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Types of Intellectual Property Rights

Ideas Data Forms

Database laws

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Types of intellectual property rights

- ◆ Patents
- ◆ Confidentiality
- ◆ Copyright
- ◆ Industrial designs artistic works industrial
- ◆ Databases websites
- ◆ Trade Marks

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Patents

Confer monopoly in return for disclosure

Granted for an invention, provided that:

- ◆ it is new - not part of the state of the art - ie not matter made available to the public
- ◆ it involves an inventive step - non-obvious to a person skilled in the art
- ◆ it is capable of industrial application
- ◆ it is not excluded obvious sense

aim to keep it secret at first

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Patents - exclusions

- ◆ A discovery, scientific theory or mathematical method (eg laws of nature)
- ◆ A literary, dramatic, musical or artistic work or an aesthetic creation (protected by copyright)
- ◆ A scheme, rule or method for a mental act, playing a game or doing business
- ◆ Computer programs (but see VICOM)

one click (Amazon)
US & E.U.
Computer-aided design

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US & EU open - reluctant to protect anything.

Patents - exclusions (cont'd)

- ♦ The presentation of information *database*
- ♦ Anything encouraging offensive, antisocial or immoral behaviour
- ♦ Animal or plant varieties or biological processes (microbiological varieties or processes not excluded)
- ♦ Treatments of the human or animal body (therapies rather than substances)

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Patents - examples

- ♦ 'Classic' patentable inventions: jet engine; radar; polyethylene; television; polyester fibres; semi-synthetic penicillins; printed circuits
- ♦ New areas - variety of Basmati rice; Brazzein; Neem tree patents; computer-aided design (CAD); on-line book ordering

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Obtaining a patent - procedure

- ♦ UK Patent Office - national patent
- ♦ European Patent Office (EPO) *→ independent of EU law*
 - ♦ 'European patent' - designating the countries in which protection sought
- ♦ Community Patent (1973) *not unified / language issues*
- ♦ Patent Co-operation Treaty (PCT)
 - ♦ 'International patent' - file in UK and examined in overseas patent offices
- ♦ Patent Law Treaty (PLT)

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Obtaining a patent - who applies

- ♦ Anyone but a patent is only granted to:
 - ♦ the inventor
 - ♦ the employer in the case of inventions made in the course of employment
 - ♦ someone entitled to the grant under foreign law
- ♦ The patent or the application can then be assigned

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Obtaining a patent - procedure

- ♦ The specification *to be made to great public if not clear, others will question*
 - ♦ description: clear and complete disclosure
 - ♦ claims: delimiting scope of monopoly
- ♦ Priority
 - ♦ 12 months to refine the specification
- ♦ Examination
- ♦ Opposition

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Exploiting patents

- ♦ Term - 20 years from filing (renewal fees)
- ♦ Preventing infringement *exception: private use - comment*
 - ♦ making, disposing of, offering to dispose of, using, importing the product or using the process
- ♦ Licensing
- ♦ Compulsory licensing (no exploitation) *tribunal to determine fees*

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Confidentiality

- ◆ Ideas
 - ▶ "identifiable, original, of potential commercial attractiveness"
 - ▶ secrecy
- ◆ 'Know-how' (eg surrounding a patent)
- ◆ No time limits
- ◆ Reliance on contractual enforcement
 - ▶ non-disclosure agreements

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*Is info effect through info connection
should be very detailed.*

Copyright

What is protected?

- ◆ literary, dramatic, musical and artistic works
- ◆ computer programs are literary works
- ◆ sound recordings
- ◆ films
- ◆ broadcasts and cable programmes
- ◆ published editions

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Copyright - cont'd

not exclusive
Conditions for protection

- ◆ originality - low threshold (but depends on country)
- ◆ recorded in writing or otherwise
- ◆ qualification - national status
- ◆ no need to register

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Exploiting copyright

- ◆ Long period of protection
- ◆ Ownership
 - ▶ author
 - ▶ employees
- ◆ Dealings in copyright
 - ▶ assignments
 - ▶ licences
- ◆ Preventing infringements

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Industrial Designs

- ◆ Protect appearance of mass-produced articles
- ◆ Registration for 'new' designs with 'eye appeal'
- ◆ Copyright for artistic designs
- ◆ 'Design right' for original technical designs

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Registered Designs

- ◆ 25 years' protection
- ◆ No protection for methods or principles of construction
- ◆ No protection for functional features or features which depend on the appearance of another article (car doors)
- ◆ Infringement is by making articles to the design: a monopoly (no proof of copying required)

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Copyright

- ◆ Still applies to designs or design documents recording designs for artistic works
- ◆ Still applies to artistic works which are industrially exploited, but protection is reduced to 25 years (as for registered designs)

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'Design Right'

- ◆ 15 years' protection (10 of which 'full')
- ◆ No registration required
- ◆ No protection for:
 - ▶ methods or principles of construction
 - ▶ functional features or features which depend on the appearance of another article (car doors)
 - ▶ surface decoration
- ◆ Infringement by copying

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Industrial designs - the future

- ◆ Directive harmonising national laws
 - ▶ applies to registered designs
 - ▶ must be implemented by 28.11.91
- ◆ 'Community design'

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Databases

- ◆ Electronic and non-electronic
- ◆ Originally protected by copyright
- ◆ New 'database right' protects database
 - ▶ where a 'substantial investment in obtaining, verifying or presenting the contents'
 - ▶ lasts for 15 years but can be 'refreshed'
- ◆ Copyright still protects some databases
 - ▶ where element of 'intellectual creation'

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Databases - cont'd

- ◆ 'Maker' of the database is owner
 - ▶ 'person who takes the initiative ... And assumes the risk of investing'
- ◆ Compare with copyright
- ◆ Infringement of database right
 - ▶ extraction or re-utilisation of substantial part of the contents
 - ▶ protects the contents not the form

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Trade Marks - what are they?

- ◆ Registered trade marks versus common law trade marks (adequacy of protection?)
- ◆ Indicators of origin
- ◆ Capacity to distinguish central to their function
- ◆ Certain marks will be incapable of registration:
 - ▶ descriptive terms
 - ▶ generic terms

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Trade Marks - cont'd

- ◆ Applicant - any person with a *bona fide* intention of using the mark
- ◆ Territorial nature of protection
 - but CTMO and the Madrid Protocol
- ◆ Examination
- ◆ Opposition
- ◆ Revocation and invalidity *(if one does not use it)*

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Trade Marks - Exploitation

- ◆ No time limit on protection
- ◆ Renewal fees (every 10 years)
- ◆ Preventing infringement by use of the same or a similar mark on the same or similar goods/services
- ◆ Licensing

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Common themes

- ◆ Forms of property - can be owned, assigned, licensed and mortgaged
- ◆ Exploitation subject to competition law
- ◆ Remedies against infringement - damages, injunction, rights of delivery up etc
- ◆ All are vulnerable to attack and may need to be defended vigorously → cost!

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*SM = service marks.
+
product marks*